



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Operations Committee

DATE: June 7, 2013

FR: Executive Director

W.I. 320-1221, 310-2700, 320-2700

RE: Clipper® Program Contract Actions:

- i) Contract Change Order – Upgraded Handheld Card Readers for Caltrain: Cubic Transportation Systems, Inc. (\$575,000)
- ii) Contract Change Order – Annual Price Adjustment: Cubic Transportation Systems, Inc. (\$150,000)
- iii) Contract Amendment – Technical Advisor: CH2M Hill (\$800,000)
- iv) Contract – Budget, Financial, and Operations Analysis: Kimley-Horn and Associates, Inc. (\$200,000)
- v) Contract – Technical, Strategic, and Long-Range Planning: Invoke Technologies (\$200,000)
- vi) Purchase Order – Network Services: AT&T (\$450,000)

Attachment 1 includes information about current Clipper® system operations.

Contract Actions

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into the following contract actions:

i) Contract Change Order – Upgraded Handheld Card Readers for Caltrain: Cubic Transportation Systems, Inc. (\$575,000)

Under this Change Order, Cubic Transportation Systems, Inc. (Cubic) would provide upgraded handheld card readers for use by Caltrain conductors. Caltrain conductors already have handheld readers that allow them to verify that a customer has paid his fare; the upgraded readers will allow conductors to also deduct a fare from a customer who has not paid prior to boarding. The additional function will also assist riders with disabilities who may not be able to access or locate a reader on the platform prior to boarding.

Staff recommends negotiating and entering into a Contract Change Order with Cubic in an amount not to exceed \$575,000 for the purchase of upgraded handheld card readers.

ii) Contract Change Order – Annual Price Adjustment: Cubic Transportation Systems, Inc. (\$150,000)

The Clipper® contract (“Contract”) allows for annual adjustment of prices because Cubic provides services over a multi-year time-span. Historically, MTC and Cubic have based the price adjustment on industry-specific labor and materials indices published by the Bureau of Labor Statistics (BLS), and the percentage increase has fallen between 0% and about 4% depending on the overall economy. This Change Order would establish a fixed annual price increase of 1.995% for the duration of the Contract; the fixed increase would be instead of adjusting prices based on

the BLS indices and simplifies contract administration. For 2013-14, the cost increase would be \$150,000 for capital expenses; the increase in operations costs depends on transaction volume over the coming year.

Staff recommends negotiating and entering into a Contract Change Order with Cubic in an amount not to exceed \$150,000 for FY 2013-14 annual price adjustment.

iii) Contract Amendment – Technical Advisor: CH2M Hill (\$800,000)

In 2009, MTC entered into a competitively procured multi-year contract with Booz Allen Hamilton to provide Clipper® technical oversight and advice. Booz Allen Hamilton assigned this contract to CH2M Hill in 2011. Under the proposed amendment, CH2M Hill would provide the following technical oversight and advice services in FY 2013-14: project management for system expansion, review of design submittals, testing and inspection, operations support, long-range planning, and general project oversight.

Staff recommends negotiating and entering into a contract amendment with CH2M Hill in an amount not to exceed \$800,000 for the services described above.

iv) Contract – Budget, Financial, and Operations Analysis: Kimley-Horn and Associates, Inc. (\$200,000)

This Committee approved Kimley-Horn and Associates, Inc. (KHA) last month as part of the panel of firms that will provide services for Clipper® and FasTrak® on an as-needed basis through mid-2016. Under the proposed contract, KHA would provide the following services in FY 2013-14: budget/funding management and analysis, field inspections of Clipper® equipment, and other Clipper® operations analysis.

Staff recommends negotiating and entering into a contract with KHA in an amount not to exceed \$200,000 for the services described above.

v) Contract – Technical, Strategic, and Long-Range Planning: Invoke Technologies (\$200,000)

This Committee approved Invoke Technologies (Invoke) last month as part of the panel of firms that will provide services for Clipper® and FasTrak® on an as-needed basis through mid-2016. Under the proposed contract, Invoke would provide the following services: technical, strategic and long-range planning services with an emphasis on planning for the long-term system upgrade and replacement.

Staff recommends negotiating and entering into a contract with Invoke in an amount not to exceed \$200,000 for the services described above.

vi) Purchase Order – Network Services: AT&T (\$450,000)

AT&T provides network services for the Clipper® system that enable connections between card readers, other Clipper® devices, data servers, and the Clipper® Central System. This Purchase Order would cover both network operations and installation services during FY 2013-14.

Staff recommends negotiating and entering into a Purchase Order with AT&T in an amount not to exceed \$450,000 for Clipper® network services.



Steve Heminger

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Attachment 1

Table 1: Summary of System Utilization

	Last Month April 2013	Prior Month March 2013	Prior Year April 2012
Transaction Volume			
Average Weekday Ridership ¹	708,938	692,758	619,722
Fee-Generating Transactions ²	19,156,523	18,607,870	16,073,813
Unique Cards Used	655,914	647,700	556,311
Active Card Accounts	1,330,220	1,329,456	1,155,650
Settled Transit Operator Revenue	\$35,567,543	\$34,403,226	\$29,592,728
Autoload Activity			
Percent of Registered Cards with Autoload	37%	38%	39%
Call Volume			
Customer Service Representative (CSR) Calls	29,154	28,640	26,326
CSR Calls per Unique Card Used	0.04	0.04	0.05
Website Traffic			
Unique Visitors	159,730	157,192	130,987
Website Visits	226,439	225,100	188,362
Website Visits per Unique Card Used	0.35	0.35	0.34

¹ Includes average daily number of boardings, including transfers but excluding some Caltrain monthly pass trips (Caltrain only requires monthly pass customers to tag their cards once at the beginning of each month).

² Includes single-tag fare payments, BART and Caltrain exits, Golden Gate Transit entries, add-value transactions, opt-out purse refunds and pass use. Does not include transfers or transactions where fee value is \$0 (e.g., issuance of free cards, use of institutional passes, zero-value tags in dual-tag systems, etc.).

Table 2: Weekday Market Penetration Rates

	Average Weekday Clipper Boardings March 2013	Market Penetration Rate Current Month April 2013	Market Penetration Rate Prior Month March 2013	Market Penetration Rate Prior Year April 2012
AC Transit	58,989	29.9%	29.3%	25.5%
BART	218,935	52.3%	51.4%	47.1%
Caltrain	9,149	76.4%	76.0%	64.0%
Golden Gate Ferry	6,960	87.8%	95.5%	94.1
Golden Gate Transit	9,186	38.0%	40.8%	38.3%
Muni/SFMTA	352,489	53.3%	51.3%	50.6%
SamTrans	15,193	32.7%	33.9%	28.9%
San Francisco Bay Ferry/WETA	1,194	46.8%	44.0%	N/A
VTA	37,593	26.3%	29.6%	9.0%

MTC's calculation of the Clipper market penetration rate on Caltrain reflects an assumption that monthly pass holders board Caltrain twice per day on weekdays. MTC estimates that the 13,463 calendar pass sales during Caltrain's vending window for April passes translated to 26,926 additional Caltrain boardings each weekday.

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems, Inc.
Concord, CA

Project Title: Upgraded Handheld Card Readers for Caltrain.

Purpose of Change Order: Provide Caltrain conductors with upgraded handheld card readers that allow conductors to deduct fares from Clipper[®] customers who have not paid prior to boarding.

Brief Scope of Work: Provide upgraded handheld card readers to Caltrain.

Project Cost Not to Exceed: \$575,000 (this Change Order)
Total capital contract value including Change Orders before this Change Order = \$130,711,003
Total authorized capital contract amount with this Change Order = \$131,286,003

Funding Source: STP, CMAQ, STA, STP Exchange, and Regional Measure 2 Capital

Fiscal Impact: Funds included in the FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Change Order with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's June 7, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$575,000 for such Contract Change Order subject to adoption of the FY 2013-14 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: June 14, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems, Inc.
Concord, CA

Project Title: Annual Price Adjustment

Purpose of Change Order: Establish a fixed annual increase for Clipper® Contract prices and adopt a Clipper® Contract Price Schedule for FY 2013-14.

Brief Scope of Work: Modify the terms and conditions of the Clipper® Contract to include a fixed annual increase of 1.995% for Clipper® Contract prices and adopt a Clipper® Contract Price Schedule for FY 2013-14 that adjusts prices in accordance with the terms and conditions of the Clipper® Contract.

Project Cost Not to Exceed: \$150,000 (this Change Order)
Total capital contract value including Change Orders before this Change Order = \$131,286,003
Total authorized capital contract amount with this Change Order = \$131,436,003

Funding Source: STP, CMAQ, STA, STP Exchange, and Regional Measure 2 Capital

Fiscal Impact: Funds included in the FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Change Order with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's June 7, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$150,000 for such Contract Change Order subject to adoption of the FY 2013-14 budget.

Operations Committee:

Jake Mackenzie, Chair

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 320-2700, 320-1221

Contractor: CH2M Hill
San Francisco, CA

Project Title: Technical Advisor

Purpose of Change Order: Provide continued technical oversight of the Clipper® Contractor and coordination with the transit operators and other consultants.

Brief Scope of Work: Provide support of Clipper® Contract administration, project oversight, project coordination, business assistance, operations support and deployment oversight during FY 2013-14.

Project Cost Not to Exceed: \$800,000 (this amendment)
Total contract including amendments before this amendment = \$9,458,067 (includes \$3,460,239 of funds provided by SFMTA)
Total authorized contract amount with this amendment = \$10,258,067

Funding Source: STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating

Fiscal Impact: Funding is subject to adoption of FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Amendment with CH2M Hill for the purposes described herein and in the Executive Director's June 7, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$800,000 for such Contract Amendment, subject to adoption of the FY 2013-14 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: June 14, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.: 320-2700

Contractor: Kimley-Horn and Associates, Inc.
Oakland, CA

Project Title: Budget, Financial, and Operations Analysis

Purpose of Change Order: Analyze and manage Clipper[®] program budget and funding data and ensure performance of Clipper[®] equipment.

Brief Scope of Work: Conduct field inspections of Clipper[®] equipment at bus yards and other sites to ensure performance of Clipper[®] equipment and maintain records regarding planned and actual program expenditures, develop cost forecasts to assist with annual budgeting process, and perform other related tasks through FY 2013-14.

Project Cost Not to Exceed: \$200,000

Funding Source: STP, CMAQ, STA, STP Exchange, and Regional Measure 2 Capital

Fiscal Impact: Funding is subject to adoption of FY 2013-14 agency budget.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract with Kimley-Horn and Associates, Inc. for the purposes described herein and in the Executive Director's June 7, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$200,000 for such Contract, subject to adoption of the FY 2013-14 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: June 14, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.: 320-2700

Contractor: Invoke Technologies
Del Mar, CA

Project Title: Technical, Strategic, and Long-Range Planning

Purpose of Change Order: Support long-term planning and current system operations improvements.

Brief Scope of Work: Provide consultant assistance in FY 2013-14 in support of long-term initiatives such as upgrade and replacement strategies for the Clipper[®] system, future technology upgrades and changes, and system operations improvements.

Project Cost Not to Exceed: \$200,000

Funding Source: STP, CMAQ, STA, STP Exchange, and Regional Measure 2 Capital

Fiscal Impact: Funding is subject to adoption of FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract with Invoke Technologies for the purposes described herein and in the Executive Director's June 7, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$200,000 for such Contract, subject to adoption of the FY 2013-14 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: June 14, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Purchase Order

Work Item No.: 320-2700, 320-1221

Contractor: AT&T
Sacramento, CA

Project Title: Clipper® Network Services

Purpose of Change Order: Provide network communications and installation services for the Clipper® program during FY 2013-14.

Brief Scope of Work: Service fees and capital costs for network, frame relay and dial-up services connecting Clipper® readers, other devices computer servers, and the central clearinghouse.

Project Cost Not to Exceed: \$450,000

Funding Source: Transit agencies

Fiscal Impact: Funding is subject to adoption of FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Purchase Order with AT&T for the purposes described herein and in the Executive Director's June 7, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$450,000 for such Purchase Order, subject to adoption of the FY 2013-14 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: June 14, 2013